

STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
601 DELAWARE AVENUE  
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-53

September 15, 1972

TAX APPEAL BOARD DECISION

LICENSES

Occupation License - Collection Agency


**FACTS:** The XYZ Association, a Delaware Corporation, was organized by two professional corporations (which own all the stock) for the purpose of billing patients in an orderly and systematic manner. In addition they performed various other clerical and administrative functions for their clients. The Association did not offer its services to the general public.

**ISSUE:** Whether the petitioner is a "collection agency" within the meaning of Section 2301, 30 Del. C.

**DECISION:** For respondent. It was held that to "collect a debt or claim is to obtain payment or liquidation of it, either by personal solicitation or legal proceedings," and therefore does not exclude from the scope of the tax a concern which collected current accounts, as opposed to past-due accounts.

The Tax Appeal Board found that there was no requirement that a collection agency must hold itself out as available to the general public. Petitioner met the requirement that the accounts were collected for "others," since the corporations were separate legal entities. Accordingly, the XYZ Association qualified as a "collection agency" under Section 2301, 30 Del. C.

Date: July 10, 1972  
Docket No. 503

  
J. H. Kennedy  
Director of Revenue

mr's

DISTRIBUTION: B and C